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June 21, 2018

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation: WC Docket No. 17-101, Domestic Section 214
Application Filed for the Transfer of Control of Westphalia Telephone Company
and Westphalia Broadband, Inc. to Chapin Communications Corporation

Dear Ms. Dortch:

On June 19, 2018, Greg Ringle (via telephone), Manager of Chapin Telephone Company ("Chapin Tel") (a subsidiary of Chapin Communications Corporation (the "Company")), John Kuykendall, Vice President, John Staurulakis, Inc., along with the undersigned, met regarding the above-captioned matter with: Madeleine V. Findley, Deputy Bureau Chief of the Wireline Competition Bureau ("WCB"); Daniel H. Kahn, Chief, Competition Policy Division of the WCB; Jodie May Donovan, Assistant Chief, Competition Policy Division, WCB; Dennis Johnson, Competition Policy Division, WCB; and Joseph Sorresso, Telecommunications Access Policy Division, WCB.

In the meeting, the Company stressed the need for prompt action approving the above-referenced application. The application has been pending for over a year, and, as the Commission's records reflect, no opposition has been filed concerning the transfer of control. Moreover, the Company is not aware of any factual issue required to be resolved.

As part of the Company's discussion, the Company confirmed its belief that the WCB would expect that a recent condition established in another Section 214 application process would be applied to the pending request filed by the Company. *See In the Matter of Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc., for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934, as amended, Memorandum Opinion and Order*, WC Docket No. 18-52, FCC 18-62, released May 11, 2018 (the "*Hargray Condition Order*") at paragraph 27. As a result, the Company sought to focus on issues it had identified as to how the condition would, from a practical perspective, be applied.

As a result, during this portion of the meeting, the Company focused on footnote 72 of the *Hargray Condition Order* and the statements made therein regarding "average schedule" companies. As part of the discussion in the meeting, the Company understands that, for its

planning purposes, it could rely on the explicit statements contained in or related to footnote 72 that:

- (1) The condition arising from the *Hargray Condition Order* would apply solely to Chapin Tel (*id.*);
- (2) The condition would not apply unless Chapin Tel (which is an average schedule company) elected to move to interstate cost-based settlements (*id.*, n.72);
- (3) If Chapin Tel elected to use interstate cost-based settlements, the condition would be expected to be applied for a seven (7) year period which would begin after the consummation of the transaction (*see id.* at para. 29 and n. 78);
- (4) The condition would “sunset” should Chapin Tel be provided at some time during the seven years the opportunity by the Commission to elect model-based federal Universal Service Fund (“USF”) disbursements (*see id.* at para. 29) and Chapin Tel in fact made such election; and
- (5) The sunset of the condition would be anticipated to be effective as of the date that the Commission announced Chapin Tel’s election to model-based USF disbursement should that opportunity present itself and Chapin Tel made such election.

The Company’s also inquired as to the reference made in footnote 72 of the *Hargray Condition Order* related to the establishment of the operating expense (“Opex”) levels for average schedule companies. The Company understands that a number of approaches are being considered in this regard, including one which involves the National Exchange Carrier Association, Inc., but no time frame was expressed as to when such approaches may be known.

Should the Company’s understandings reflected above be incorrect, please direct any inquiries to this matter to the undersigned. This letter is being filed pursuant to Section 1.1206 of the Commission’s rules.

Sincerely,



Thomas J. Moorman
Counsel to Chapin Communications Corporation

cc: M. Findley (via email)
D. Kahn (via email)
J. May Donovan (via email)
D. Johnson (via email)
J. Sorresso (via email)
G. Ringle (via email)
J. Kuykendall (via email)